

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 426 - HB 820

February 24, 2021

SUMMARY OF BILL: Authorizes the Secretary of State (SOS) to use funds collected under their Division of Business Services and Division of Charitable Solicitations and Gaming interchangeably to operate either division.

Establishes that every fee collected under the Division of Charitable Solicitations and Gaming will be reduced to \$10 during FY21-22.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$1,914,700/FY21-22

/Division of Charitable Solicitations and Gaming

Assumptions:

- The Division of Charitable Solicitations and Gaming charges fees for registrations of nonprofit organizations, professional solicitors, and annual gaming events; late fees are charged for untimely registration applications and gaming event financial statements.
- The one-time decrease in state revenue in FY21-22 was based on total fee revenue collected in the most recent complete fiscal year, FY19-20.
- The estimated decrease in state revenue to the SOS in FY21-22 is \$1,914,721. Individual registrations, related fees, and number of registrations based on information provided by the SOS are in the table below.
- According to the SOS, the one-time revenue reduction will be absorbed by existing funds available for use under the Charitable Solicitations and Gaming Division.

	FY19-20 Fee Amount	Number of Registrations	FY19-20 Revenue	Proposed Fee Amount	Estimated Registrations x Reduced Fee	Loss of Revenue in FY21-22
Nonprofit Org Registrations	\$50	4,064	\$203,200.00	\$10	\$40,640.00	\$162,560.00
	\$80	1,781	\$142,480.00	\$10	\$17,810.00	\$124,670.00
	\$120	860	\$103,200.00	\$10	\$8,600.00	\$94,600.00
	\$160	1,143	\$182,880.00	\$10	\$11,430.00	\$171,450.00
	\$200	877	\$175,400.00	\$10	\$8,770.00	\$166,630.00
	\$240	4,727	\$1,134,480.00	\$10	\$47,270.00	\$1,087,210.00
Professional Solicitor Registrations	\$250	74	\$18,500.00	\$10	\$740.00	\$17,760.00
Registration Late Fees	\$25	4,457	\$111,425.00	\$10	\$44,570.00	\$66,855.00
Annual Event Applications	\$150	78	\$11,675.00	\$10	\$778.33	\$10,896.67
	\$300	7	\$2,200.00	\$10	\$73.33	\$2,126.67
	\$450	5	\$2,125.00	\$10	\$47.22	\$2,077.78
	\$600	11	\$6,600.00	\$10	\$110.00	\$6,490.00
Annual Event Late Fees	\$25	93	\$2,325.00	\$10	\$930.00	\$1,395.00

Total estimated loss
in revenue:

1,914,721.11

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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